

1 Fred Lomayesva, General Counsel (#013729) Amy Mignella, Deputy General Counsel (#016264) 2 Hopi Tribe Office of General Counsel P.O. Box 123 3 Kykotsmovi, AZ 86039 (928)613-1033 4 flomayesva@hopi.nsn.us 5 amignella@hopi.nsn.us 6 BEFORE THE ARIZONA CORPORATION COMMISSION 7 8 IN THE MATTER OF THE APPLICATION OF ARIZONA 9 PUBLIC SERVICE COMPANY FOR A HEARING TO DETERMINE THE FAIR VALUE OF THE UTILITY DOCKET NO. E-01345A-19-0236 10 PROPERTY OF THE COMPANY FOR RATEMAKING PURPOSES, TO FIX A JUST AND REASONABLE RATE OF NOTICE OF FILING OF TESTIMONY 11 RETURN THEREON, TO APPROVE RATE SCHEDULES DESIGNED TO DEVELOP SUCH RETURN. OF THE HOPI TRIBE 12 13 14 The Hopi Tribe hereby submits the attached surrebuttal testimony of the Hopi Tribal Chairman, 15 Timothy L. Nuvangyaoma. 16 Respectfully submitted this Friday, December 4, 2020. 17 18 19 20 Hopi Tribe 21 Office of General Counsel P.O. Box 123 22 Kykotsmovi, AZ 86039 23 24 25 26 27 28

CERTIFICATE OF SERVICE

ORIGINAL electronically filed this 4th day of December, 2020, with:

Docket Control
Arizona Corporation Commission
1200 W. Washington St. Phoenix, AZ 85007

I hereby certify that I have on this 4th day of December, 2020, served these documents on all parties of record in this proceeding, as identified on the service list attached at the end of this filing and in the manner identified as acceptable by each.

SURREBUTTAL TESTIMONY OF TIMOTHY L. NUVANGYAOMA

On Behalf of the Hopi Tribe

DOCKET No. E-0135A-19-0236

Q1: Please state your name and business address. A1: My name is Timothy L. Nuvangyaoma. My business address is P.O. Box 123, Kykotsmovi, AZ 86039. Q2: On whose behalf are you filing this surrebuttal testimony? A2: This testimony is filed on behalf of the Hopi Tribe. Q3: What is your role with that entity? A3: I serve as the Hopi Tribal Chairman. Q4: Have you had an opportunity to review the APS rate and rebuttal filings in this case? A4: Yes. Q5: Do you have comments on the content of the APS rebuttal filing? A5: Yes. Q6: What is your comment on the testimony in that filing of Barbara Lockwood? A6: The Hopi Tribe supports APS' proposed expansion of the Energy Support Program for lower income rate payers. The Hopi Tribal population includes a disproportionately large number of families that live at or below the poverty line. And that total will only increase as the loss of coal-tied revenue continues into the future for the Tribe with no offset. As such, any rate increase for residential customers becomes another barrier to maintaining or achieving contemporary electrification standards across Hopi lands. In this way the Tribe must consider the proposed residential increase of potentially more than 4.99% as substantial and not supportable without a broadened assistance program that sufficiently extends to Hopi families. [See APS Rebuttal filing, B. Lockwood, p. 4, line 13 and continuing].

Q7: What is your comment on the testimony in that filing of Brad J. Alpert?

A7: The condition of APS distribution system infrastructure across Hopi lands is outdated, with many segments remaining unimproved for now lengthy periods. Whether predominantly for that reason or due to another management cause, electric service interruptions across Hopi lands are too frequent.

APS customers on the Reservation continue to experience outages, which have been reported to occasionally last for several days. Because of this, many Hopi APS customers must rely on generators to guarantee continued functionality of critical infrastructure such as powered water service, healthcare facilities, and communications.

The Tribe is familiar with the spectrum of regional outages that occurred this last summer and hereby responds to the APS rebuttal testimony position on that issue by noting that APS generation resource, system and ISO/RTO participation management actions must be improved to avoid any such impacts to its customers (and potentially the wider Arizona and regional end users) looking ahead. It is the Tribe's understanding that APS only entered the CAISO platform in order to obtain benefits for its system management and customers; the Tribe hereby stresses that such benefits cannot be realized without sufficient attention being paid to the complex nature of that engagement.

Q8: What is your comment on the testimony in that filing of Jeffrey Guldner?

A8: As I noted in a letter submitted on November 20, 2020, the Tribe rejects its treatment by APS in the proposed Transition Plan terms [See APS Rebuttal filing, Jeffrey Guldner, pages 5, line 27 and 8, line 19 and continuing]. In fact, the Hopi Tribe has not had any "discussions" with APS to arrive at the transition assistance noted in the filing; as a result, APS has no basis to claim that "[t]hrough discussions with these communities, APS has come to a thoughtful, meaningful agreement to assist this transition." [See APS Rebuttal filing, J.Guldner, page 8, line 19 and continuing].

The Tribe provides the following in response to its categorical treatment by APS in the absence of any negotiation or even transition-specific dialogue:

Prior to its closure, Arizona Public Service Company owned 315 MW of nameplate capacity at Navajo Generating Station. Based on previous testimony and comments by Navajo Nation and others, and as is becoming increasingly common across coal retirement scenarios, \$100,000 per MW of nameplate capacity is a reasonable metric to establish a target value of transitional assistance to the Hopi Tribe.

For illustration and specific comparison, in its Just Transition Plan, APS agreed to a minimum of \$128.75 million in direct payments to Navajo Nation, which equates to \$66,641 per MW of nameplate capacity ownership in the three Navajo-related coal plants — Four Corners Power Plant, Navajo Generating Station, and Cholla Power Plant. However, this agreement may exceed \$148 million in direct payments, depending on the date of closure of Four Corners Power Plant and the number of homes APS connects to power lines, bringing the \$/MW total closer to \$76,605 per MW of nameplate capacity ownership. Further, if the long term commitments to purchase 600 MW of renewable energy from Navajo Nation projects are also included, and are conservatively estimated to create \$3 million in annual land lease revenue for the Nation over 25 years for a total of \$75 million, this \$/MW figure can be estimated to equal in excess of \$115,424/MW, for \$223 million in total transition assistance.

Applying a \$100,000/MW value for Hopi, the Tribe would be positioned to receive a minimum \$31.5 million through the Company's transition efforts. The Tribe considers this a more fair and equitable calculation in the context of its history and the impacts from NGS closure. This level of funding will help the Hopi Tribe transition out of its long-standing coal economy, and allow for new economic development opportunities to replace lost revenue and provide employment for impacted Hopi Tribal members. The Tribe could also apply a portion of this funding to Hopi-based renewable energy project

developments that could become a source of clean energy for APS or other regional utilities. As such a scenario would only be consistent with the basis for NGS closure, the Commission and APS should support this concept.

The Tribe further objects to the inclusion of the Transition Plan in this rate filing to the extent that Hopi rate payers will be burdened with its costs. As the Hopi Tribe is almost entirely served by APS, any rate-based cost recovery will leave it with no alternative to the repayment of its own and all other transition assistance. Commission approval of any such structure would be fundamentally unjust and only plainly contradict the premise of the assistance itself. In addition, as is excerpted from my letter above, other Transition Plan beneficiaries will not be similarly situated to Hopi as they will not bear the same repayment burden due to not being APS ratepayers to any similar degree.

Finally, this disparate treatment of Hopi is only made worse by the assistance of that beneficiary at a level that is as much as 60-fold higher than what is being offered Hopi. APS has not offered and does not actually have any legitimate basis for such a disparity. In addition to lost employment across its communities, as the locational source of fuel for the generation now curtailed and with such curtailment orchestrated by APS on a voluntarily accelerated timeline, Hopi has the same need for transition assistance as any other affected community. [See APS Rebuttal filing, Jeffrey Guldner, page 8, line 19 and continuing].

In fact, considering impact totality, the result of coal-tied closures to the Hopi Tribe is not less than 30% as for Navajo but rather an 80% loss to its total annual revenue base. This positions Hopi as having only a much greater need for assistance than Navajo.

Q9: Do you have any other comments?A9: No.Q10: Does this conclude your surrebuttal testimony?A10: It does.

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